

Instructions on Completing the Campaign Finance Report 2004 Maine Clean Election Act Candidates

General Instructions

Simpler Reporting for Maine Clean Election Act Candidates

As a Maine Clean Election Act (MCEA) candidate/treasurer, your reporting requirements are simpler because your campaign's only receipts are public funds paid under the MCEA. Nevertheless, you are required to fill out five schedules in each report to ensure that the public funds program is accountable and that members of the public receive the required campaign finance disclosure:

- Schedule A Receipts (simplified for MCEA candidates)
- Schedule B Expenditures
- Schedule E Outstanding Bills
- Schedule F Campaign Equipment/Property Inventory
- Schedule G Summary Page (simplified for MCEA candidates)

How to File Paper Reports

The Commission must receive at its office the *original* report signed by both the candidate and treasurer by 5:00 p.m. on the filing deadline, except in two circumstances. A report may be faxed to the Commission office at (207) 287-6775 by 5:00 p.m. on the deadline, provided that the original report is received by the Commission within five calendar days. A report that has been mailed to the Commission by certified or registered mail and is postmarked at least two days before the filing deadline will not be considered late, even if it is received after the deadline.

Keep Copies of Your Reports

When you have completed and signed a report, please make a copy for your records. You will need it when filling out your next report.

Late Reports

State law imposes significant penalties for filing late reports. Please see the Frequently Asked Questions section (FAQ) at the back of these instructions for more information on the Commission's penalty process. A report that does not substantially conform to the requirements of the Election Law will not be considered timely.

Policy on Incomplete Reports

If certain information is omitted from a report but the report substantially conforms to the legal requirements, the report will be considered timely but incomplete. According to Chapter 1, Section 3(2) of the Commission's Rules, the agency will send a letter requesting that the missing information be supplied within 15 days. If the information is not provided, the matter will be placed on the agenda of the next Commission meeting. No civil penalty will be assessed.

Reporting an Accurate Cash Balance

The Ethics Commission must keep track of your cash balance so that it can verify that all public funds expenditures have been disclosed and it can calculate the amount of any Maine Clean Election Act funds that must be returned after the election. Campaigns must report their cash balance on Schedule G. Please check to see that the cash balance *reported* on Schedule G is the same as your *actual* cash balance.

After each report is filed, the Commission will calculate the total of the receipts reported by the campaign minus reported expenditures. If this amount does not equal the cash balance reported on Schedule G, the Commission will ask the campaign to amend its reports so that the two amounts are reconciled.

HELP!

Please telephone the Commission staff at 287-4179 if you have questions about how to complete the reports.

Instructions for Each Schedule

Cover Page

Please provide all of the contact information requested for the candidate and treasurer. If any of the contact information has changed since the previous report, please check the box provided.

Required Signatures

Both the treasurer and candidate are required to sign the report, in order to certify that the report is complete and accurate. If the treasurer is unavailable, the deputy treasurer may sign the report instead of the treasurer. For more information about changing a treasurer or deputy treasurer, please see the FAQ section at the end of these instructions.

Post-Primary Cash Balance Page (only for report due July 20)

In order to determine candidates' eligibility to receive matching funds, every legislative candidate (including MCEA candidates) must disclose his or her campaign's cash balance as of June 8, 2004.

Schedule A: Cash Receipts

- *Initial Distribution.* Please enter the date and amount of any initial distribution you received during the CURRENT reporting period for the primary or general election. Please enter the same amount in the both the "amount received" and "amount authorized" columns.
- *Matching Funds.* If your campaign becomes eligible to receive and spend matching funds, you will be paid the maximum amount of matching funds that your campaign could be entitled to receive. If the Commission will authorize you to spend only a portion of it. If you are paid matching funds, please enter the amount actually received during the reporting period and the amount you have

been authorized to spend. If you receive additional authorizations to spend matching funds in the reporting period, please enter those as well.

Schedule B: Expenditures

For each payment made during the reporting period, enter the date on which the expenditure was made, the name of each payee, and the amount of each expenditure in one of the four general categories noted (general operations, advertising, printing/postage, or salaries/compensation). If the expenditure does not fit into one of those categories, list the amount under “Other” and explain the purpose of the expenditure in the “Remarks” box. Use “Remarks” to explain any other entry that may not clearly disclose the recipient or the purpose of the expenditure. On each page of Schedule B, enter on line 1 the total for each of the five purpose columns.

Purchases made by the Candidate with Personal Funds

Candidates participating in the MCEA are not allowed to contribute their personal funds to their own campaign. On some occasions, candidates have used personal funds to make purchases and then are reimbursed by the campaign with MCEA funds (*e.g.*, when the candidate needs to make an immediate purchase and doesn’t have the campaign checkbook). The members of the Commission have not had an occasion to comment formally on the practice.

If your campaign wishes to do this, the Commission staff recommends that the candidate keep receipts for all purchases that he or she has made (no matter how small) and that the campaign reimburse the candidate as soon as is feasible. This will minimize any issue that the candidate has contributed to the campaign. On Schedule B, please itemize every expenditure (as is legally required for all candidates) and report the vendor as the payee (not the candidate).

Please Do Not Include

Please do not list unpaid debts or obligations on this schedule. Schedule B should be used only for payments that were actually made during the reporting period. Report unpaid debts and obligations on Schedule E.

Last Page Only

On line 2 of the last of the Schedule B pages, enter the totals of the line 1 amounts from the previous Schedule B pages. On line 3, add the amounts on lines 1 and 2 for each category. As indicated, transfer the total expenditures for this reporting period (the amount in the lower right-hand corner box) to line 8 on Schedule G.

Schedule E: Total Outstanding Bills (Debts Other Than Loans)

When a campaign promises or agrees to make an expenditure and the payment has not been made by the end of the reporting period, the unpaid debt must be reported on Schedule E. For example, if a campaign placed an order for advertising or literature which was not paid for during the reporting period, the debt should be listed on Schedule E. In a future report, when the debt is paid, enter the payment as an expenditure on Schedule B and discontinue reporting the debt on Schedule E.

Throughout the campaign, continue to list every debt that has not been paid by the end of the reporting period, even if the debt has been listed on previous reports.

If the campaign has not received a bill that shows the precise amount due, campaigns should make a good faith effort to obtain from the vendor the fair market value of the unpaid goods and services. If that information is unavailable from the vendor, please estimate the fair market value of the goods and services.

Please transfer the total unpaid debts to Schedule G, line 11.

Schedule F: Campaign Equipment/Property Inventory

On this schedule, please list equipment and property that may be converted to personal use, such as a computer, mobile telephone, photocopier, or telephone/fax. Do not include items that are of value only to the campaign, such as signs, campaign literature, stationery, *etc.*

In Part I of the Schedule, please list all equipment and property convertible to personal use that is owned by the campaign at the end of the reporting period.

In Part II, please list all equipment or property that was sold or transferred during the reporting period. Please transfer the income from the sale of equipment or property to Schedule G, line 4.

Schedule G: Detailed Summary Page of Receipts and Expenditures

This schedule summarizes the financial activity for the current reporting period and for the entire 2004 campaign:

- On line 1, please enter the total receipts for the campaign through the last reporting period (bring this amount from your last report). When filling out the June 2 report, please bring this amount from your seed money report.
- On line 2, please enter the total cash receipts from Schedule A.
- On line 3, please enter any interest earned or any other receipts during the period (not listed on Schedule A).
- On line 4, please enter any income from the sale of campaign equipment or property reported on line 2 of Schedule F.
- On line 5, please enter the total of lines 2, 3, and 4.
- For line 6, please enter the total of line 1 and line 5.
- On line 7, please enter the total expenditures for the campaign through the last reporting period (bring this amount from your last report). When filling out the June 2 report, please bring this amount from your seed money report.
- On line 8, please enter the total expenditures from line 3 on the last page of Schedule B.
- On line 9, please enter the total of lines 7 and 8.
- On line 10, please subtract line 9 from line 6.
- On line 11, please enter the total debts from Schedule E, line 3.

Reconciling the Reported Cash Balance to the Actual Cash Balance

Line 10 should accurately state your cash balance at the time you file the report. The Ethics Commission must keep track of MCEA candidates' cash balances so that it can determine how much public funds (if any) Maine Clean Election Act candidates must return after the election.

If there is a discrepancy between your actual cash balance and the amount in line 10, please consider the following:

- Did the candidate make an expenditure that was not reimbursed by the campaign?
- Has your bank provided you with interest or charged you fees?
- Could your arithmetic within the current report be mistaken?
- Could the discrepancy be from a previous report rather than your current report?

If necessary, please amend the current or previous reports so that the reported cash balance reflects your actual cash balance. Please call the Commission staff at 287-4179 if you have any questions.

Frequently Asked Questions (FAQs)

Can the candidate sign a campaign finance report in place of the treasurer?

Every candidate must appoint a treasurer who is reported on the candidate's registration form. The candidate may serve as the treasurer. The treasurer must sign every campaign finance report in order to certify that the report is complete and accurate. The Election Law permits a candidate to appoint a deputy treasurer who may sign campaign finance reports if the treasurer is unavailable. Some candidates find it helpful to appoint themselves as the deputy treasurer. If a treasurer is unavailable to sign a report by a filing deadline, to avoid a civil penalty the candidate may submit an amended registration form adding the candidate as the deputy treasurer, so that the candidate may sign the report in place of the treasurer.

If the candidate pays for goods and is reimbursed by the campaign, how is that reported?

Please see *Purchases made by the Candidate with Personal Funds* on page 3.

Are there restrictions on how the campaign can spend MCEA funds?

MCEA funds must be spent on campaign-related purposes as described in the Commission's Expenditure Guidelines. Public funds may not be spent on personal expenses. The Expenditure Guidelines have been included in the treasurer's packet.

Should the seed money received and spent by the campaign be included in the summary schedule?

Yes. When you fill out the Schedule G for the June 2 report, you should report the previous receipts and expenditures, as shown on your seed money report. The seed

money you collected and spent will be included in the campaign totals through the election.

How does the campaign report unpaid debts?

If a campaign orders a good or service (*e.g.*, advertising or literature) but has not paid for the good or service by the end of the reporting period, the debt should be reported on Schedule E. The campaign should continue reporting the debt on Schedule E, until it is paid. When the campaign pays for the good or service in a later reporting period, the campaign should discontinue reporting the debt on Schedule E and should report the payment as an expenditure on Schedule B.

How does the campaign report interest on bank accounts?

Campaigns that receive interest from financial institutions on money deposited in bank accounts should report that income on line 3 of Schedule G.

How does the campaign report fees charged by a bank?

Bank fees should be reported as expenditures on Schedule B.

What if the campaign has MCEA funds left over after the election?

MCEA candidates with unspent campaign funds are required to return them to the Commission after the election. Later in the year, you will receive a letter with instructions on this requirement.

What should the campaign do with property purchased with MCEA funds?

The Commission Rules require that property or equipment purchased with MCEA funds that could be converted to personal use (*e.g.*, computers, telephones, fax machines, copiers) must be sold at fair market value, and the proceeds must be paid to the Ethics Commission upon the filing of the 42-day post-election report. For general election candidates, that report is due December 14, 2004. These requirements do not apply to property and equipment that has exclusive value to the campaign, such as signs or campaign literature.

What are the penalties for filing a report late?

If a campaign files a report late, the Election Law requires the assessment of a penalty that is based upon three factors: (1) the number of days the report is filed late; (2) the amount of financial activity reported late; and (3) whether the campaign has filed reports late previously. *See* 21-A M.R.S.A. Section 1020-A (4). Late penalties may also be assessed when a report is filed late for a period in which there was no financial activity. When the Commission staff believes that a penalty is owed, it will notify the campaign in writing. The campaign may request a waiver of all or part of the proposed penalty by submitting a written request or by making a presentation to the members of the Commission. The Commission staff does not have the discretion to grant waivers of penalties.